

# REPORT ON INFLATION

## (OCTOBER 2021)

### HIGHLIGHTS

- The Philippines' headline inflation rate moderated to 4.6 percent in October 2021 from 4.8 percent in September 2021. Year-to-date (YTD) inflation remained at 4.5 percent.
- Seasonally-adjusted month-on-month (m-o-m) inflation picked up to 0.9 percent from 0.1 percent.
- Food inflation decelerated to 5.6 percent from 6.5 percent in the previous month due to the decline in vegetable, fish, and meat inflation.
- Meat inflation eased to 11.9 percent from 15.6 percent last month, with pork inflation significantly declining to 23.3 percent from 36.4 percent. M-o-m, meat and pork inflation remained negative at -1.2 and -4.1 percent, respectively.
- To help further bring down pork prices to pre-African Swine Fever (ASF) levels, the Department of Agriculture (DA) issued Memorandum Circular (MC) No. 23, s. 2021 on October 25. The circular addresses the low utilization of the pork minimum access volume (MAV) plus by allowing the distribution of imported pork to areas outside the NCR Plus.
- Meanwhile, non-food inflation increased from 3.3 percent to 3.8 percent, driven by higher world market prices for oil. To help public utility vehicle (PUV) drivers cope with rising fuel prices, the government has provided cash grants amounting to PHP1 billion for some 178,000 eligible drivers for the remainder of the year.

#### Year-on-year inflation rates (2012=100)

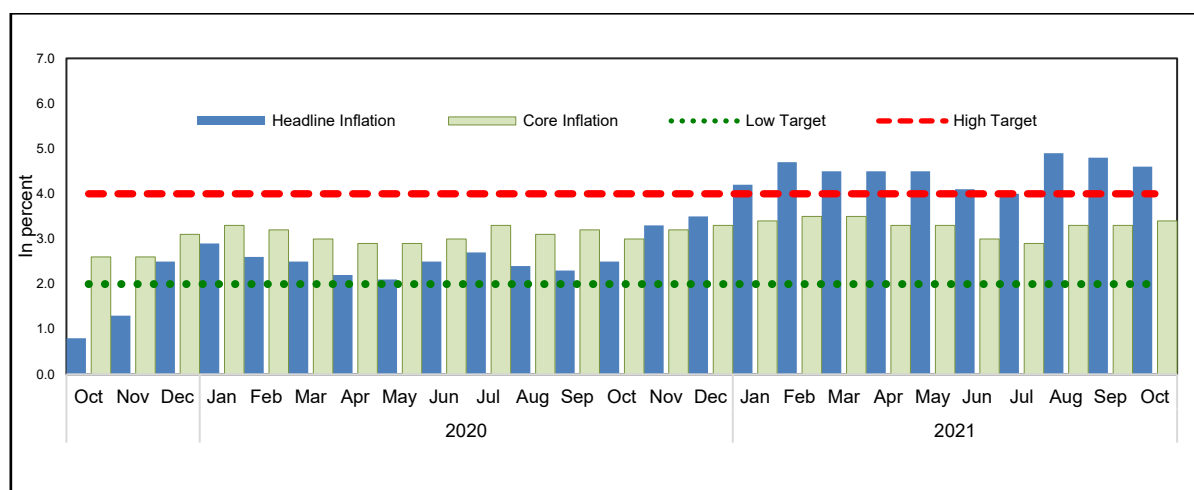
	Sep	Oct	YTD
	2021	2021	2021
<b>Philippines</b>			
<b>Headline</b>	<b>4.8</b>	<b>4.6</b>	<b>4.5</b>
Core	3.3	3.4	3.3
Bottom 30 percent	5.0	4.8	4.9
<b>NCR</b>			
Headline	3.5	3.2	3.6
<b>AONCR</b>			
Headline	5.2	5.0	4.7

## 1. Headline inflation rate eased to 4.6 percent in October 2021; seasonally-adjusted m-o-m inflation picked up to 0.9 percent.

The Philippines' headline inflation rate decelerated to 4.6 percent in October 2021 from 4.8 percent in September 2021. This latest figure is at the low end of *Bangko Sentral ng Pilipinas*' (BSP) forecast range of 4.5 to 5.3 percent for the month of October 2021.<sup>1</sup> This is also lower than the private sector's median forecast of 4.9 percent.<sup>2</sup> Meanwhile, YTD inflation was maintained at 4.5 percent from the previous month.

Core inflation<sup>3</sup> picked up marginally to 3.4 percent in October, while inflation for the bottom 30 percent of households moderated to 4.8 percent from 5.0 percent in the month prior. YTD figures stood at 3.3 percent and 4.9 percent, respectively. Meanwhile, m-o-m seasonally-adjusted inflation accelerated to 0.9 percent in October from 0.1 percent in September.

**Figure 1. Headline inflation rates: October 2019 to October 2021**



<sup>1</sup> BSP Press Release. "Month-Ahead Inflation Forecast for October 2021". BSP.gov.ph. <https://www.bsp.gov.ph/SitePages/MediaAndResearch/MediaDisp.aspx?ItemId=6000> (accessed on November 4, 2021)

<sup>2</sup> Noble, Luz Wendy T. Business World. "Inflation likely quickened in October" Bworldonline.com <https://www.bworldonline.com/inflation-likely-quickened-in-october/> (accessed on November 4, 2021)

<sup>3</sup> The official core inflation measure is defined as the rate of change of headline Consumer Price Index (CPI) after excluding selected food and energy items whose underlying price movements are generally characterized by short-term volatile movements. It is a measure of the broad or underlying trend or movement in the average consumer prices. Source: BSP.

The October inflation decelerated due to slower price adjustments in food and non-alcoholic beverages; alcoholic beverages and tobacco; education; and restaurant and miscellaneous goods and services. This deceleration more than offset the uptick in inflation for transport, housing and utilities, health, furnishings, and recreation and culture. Meanwhile, inflation for communication and clothing and footwear remain unchanged (see Table 1).

**Table 1. Headline inflation rates in the Philippines (in percent, 2012=100)**

Commodity Group	September 2021 <sup>4</sup>		October 2021	
	Y-O-Y	M-O-M	Y-O-Y	M-O-M
<b>ALL ITEMS</b>	<b>4.8</b>	<b>0.0</b>	<b>4.6</b>	<b>0.2</b>
Food and Non-Alcoholic Beverages	6.2	-0.3	5.3	-0.1
Alcoholic Beverages and Tobacco	10.5	0.1	9.8	0.2
Clothing and Footwear	1.9	0.2	1.9	0.1
Housing, Water, Electricity, Gas, and Other Fuels	3.8	0.3	4.4	0.5
Furnishing, Household Equipment, and Routine Maintenance of the House	2.4	0.0	2.5	0.2
Health	3.1	0.2	3.2	0.2
Transport	5.2	0.2	7.1	1.6
Communication	0.2	0.0	0.2	0.0
Recreation and Culture	0.9	0.0	1.0	0.1
Education	0.9	0.7	0.7	-0.1
Restaurant and Miscellaneous Goods and Services	3.9	0.2	3.7	0.0

Source: Philippine Statistics Authority (PSA)

Four items under the food and non-alcoholic beverages commodity group are among the top contributors to inflation for this month. Meat, fish, vegetables, and corn contributed a total of 1.9 percentage points (ppt) to total inflation (see Table 2).

<sup>4</sup> The m-o-m inflation figures cited in Table 1 are not seasonally-adjusted.

**Table 2. Top 10 contributors to inflation in October 2021**
**(in percentage points)**

Commodity group	October 2021
Meat	0.8
Electricity, Gas and Other Fuels	0.7
Fish	0.6
Operation of Personal Transport Equipment	0.4
Vegetables	0.4
Catering Services	0.3
Tobacco	0.3
Actual Rentals for Housing	0.2
Personal Care	0.1
Corn	0.1
<b>TOTAL CONTRIBUTION TO INFLATION</b>	<b>3.9</b>
Others (e.g., education, clothing and footwear, furnishings, communications, recreation, etc.)	0.7
<b>OVERALL INFLATION</b>	<b>4.6</b>

Source: PSA

## 2. Food and non-alcoholic beverages inflation further eased to 5.3 percent, while non-food inflation accelerated to 3.8 percent.

### Food

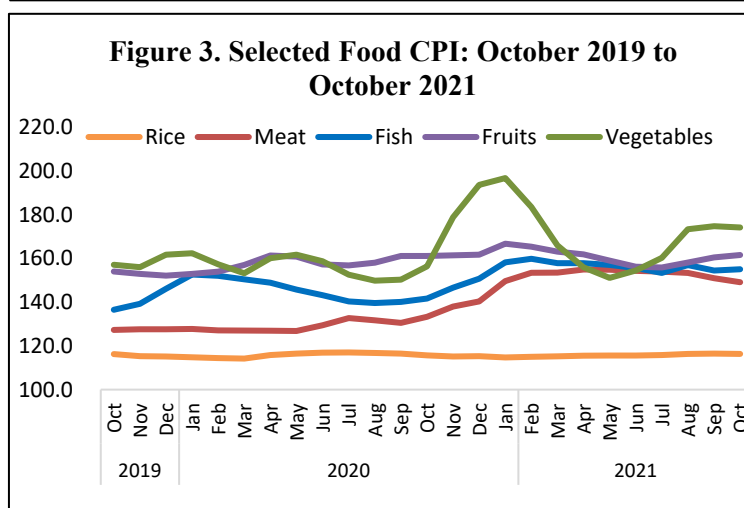
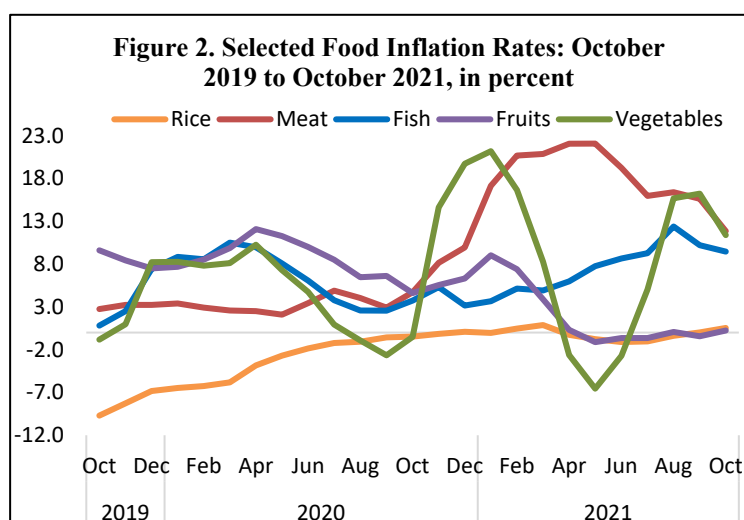
Food and non-alcoholic beverages inflation further decelerated to 5.3 percent in October 2021 from 6.2 percent in September 2021. On a m-o-m seasonally-adjusted

basis, food and non-alcoholic beverages inflation remained negative at -0.7 percent from -0.6 percent inflation in the previous month.

This was a result of lower meat (11.9 % from 15.6%), vegetables (11.4% from 16.2%), and fish (9.5% from 10.2%) inflation. These offset the elevated inflation for corn (13.5% from 10.0%), and the slight increase in the inflation for rice (0.5% from 0.0%) and fruits (0.2% from -0.4%).

Meat inflation continued to decline, with pork prices easing to 23.3 percent in October from 36.4 percent in September. Nonetheless, pork inflation remains elevated amid the continued prevalence of the ASF and the low utilization of the MAV Plus amid pandemic restrictions. In particular, the transit time for pork import shipments has increased from the 30 to 40 day period to 120 days.<sup>5</sup>

Vegetable and fish prices likewise decelerated despite damages from recent weather disturbances, as supplies remained adequate.



Source: PSA

<sup>5</sup> DA Memorandum Circular No. 23, s. 2021: Amendment on Pork MAV Plus 2021. Retrieved from: [https://www.da.gov.ph/wp-content/uploads/2021/10/mc23\\_s2021.pdf](https://www.da.gov.ph/wp-content/uploads/2021/10/mc23_s2021.pdf)

While overall domestic fish unloading declined,<sup>6</sup> fish prices have been cushioned by the arrival of imported fish sold at wet markets.

On the other hand, rice inflation recorded an uptick to 0.5 percent mainly due to base effects.<sup>7</sup> Meanwhile, corn prices picked up to 13.5 percent, partly due to typhoons and elevated global prices.<sup>8</sup>

Sugar (1.7% from 1.4%), other cereals (2.1% from 2.0%), and oils and fats (5.4% from 5.2%) also accelerated, while milk, cheese, and eggs (0.7%) and other food products (1.9%) remained unchanged.

### Non-food

Non-food inflation accelerated to 3.8 percent in October 2021 from 3.3 percent in the previous month. On a m-o-m seasonally-adjusted basis, non-food inflation also picked up to 0.8 percent, from 0.2 percent in the previous period.

Transport inflation accelerated to 7.1 percent from 5.2 percent in the previous month. This was driven by the significantly faster inflation of operation of personal transport equipment (25.5% from 16.7%) amid upward adjustments in kerosene (50.5% from 39.5%), diesel (48.6% from 30.4%), and unleaded gas (29.2% from 17.6%).<sup>9</sup> Domestic fuel prices continued this trend of adjustments in global oil prices following production disruptions in the United States due to Hurricane Ida, the slow pace in production increases by OPEC+,<sup>10</sup> the upcoming winter season, and recovering global demand. Meanwhile, base effects contributed to the slower inflation in transport services (1.2% from 1.6%).

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<sup>6</sup> For October 1-24, 2021, total fish unloading in regional Philippine Fisheries Development Authority ports for October 2021 decreased by 1.4 percent to 437 MT relative to the previous month.

<sup>7</sup> CPI for October is actually lower (116.3) compared with previous month (116.5).

<sup>8</sup> Worldbank Commodity Markets. <https://www.worldbank.org/en/research/commodity-markets> (accessed on November 4, 2021)

<sup>9</sup> Based on Department of Energy data on domestic pump prices

<sup>10</sup> OPEC+ not heeding calls for faster upward adjustment in production. Capital Economics, "Commodities Outlook: Energy supply squeeze to delay decline in prices". <https://research.cdn-1.capitaleconomics.com/d9c931/energy-supply-squeeze-to-delay-decline-in-prices.pdf> (accessed on November 4, 2021)

Housing and utilities (4.4% from 3.8%) also recorded faster adjustments, primarily from higher prices of liquefied natural gas and electricity. Liquefied natural gas inflation further accelerated to 26.3 percent (from 19.7% in the previous month), reflecting higher international prices due to an increase in winter heating demand.<sup>11</sup> Electricity inflation remained elevated at 9.2 percent albeit unchanged from last month, in line with Meralco's slightly higher generation charges in October (PHP9.14 per kilowatt-hour [kWh] from PHP9.11 per kWh in September 2021).<sup>12</sup>

Inflation for health (3.2% in October from 3.1% September), house furnishings (2.5% from 2.4%), and recreation and culture (1.0% from 0.9%) picked up, while restaurants (3.7% from 3.9%) and education (0.7% from 0.9%) slowed down. Meanwhile, clothing and footwear (1.9%) and communication (0.2%) were stable.

### **3. Inflation in National Capital Region (NCR) and areas outside NCR (AONCR) decelerated to 3.2 percent and 5.0 percent, respectively. The Bicol region recorded the highest inflation rate for the sixth month this year at 6.6 percent.**

Headline inflation in NCR slowed down to 3.2 percent in October 2021 from 3.5 percent in September 2021. The recent inflation outturn was attributed to the slower price adjustments in food and non-alcoholic beverages (3.4% in October from 5.2% in September); restaurant and miscellaneous goods and services (2.8% from 3.1%); and clothing and footwear (0.6% from 0.7%). These offset the faster inflation in transport (6.3% from 4.1%), housing and utilities (3.1% from 2.3%), and health (3.3% from 2.8%). Meanwhile, inflation of alcoholic beverages and tobacco (10.3%); furnishing and household equipment (1.0%); communication (0.2%);

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<sup>11</sup> DOE Advisory. "LPG Monitor as of October 2021". <https://www.doe.gov.ph/downstream-oil/advisory?q=lpg-monitor> (accessed November 4, 2021)

<sup>12</sup> Meralco Advisory.

<https://www.facebook.com/meralco/photos/a.245774935436085/5024112287602302/?type=3&theater> (accessed November 4, 2021)

recreation and culture (0.0%); and education (0.0%) remain unchanged from the previous month.

Likewise, inflation in AONCR decelerated to 5.0 percent from 5.2 percent in September. This was driven by the slower inflation in food and non-alcoholic beverages (5.7% from 6.4%); alcoholic beverages and tobacco (9.7% from 10.5%), education (0.8% from 1.2%); restaurant and miscellaneous goods and services (4.1% from 4.2%); and health (3.1% from 3.2%). Meanwhile, the faster inflation recorded for transport (7.2% from 5.5%); housing and utilities (4.8% from 4.3%); recreation and culture (1.3% from 1.2%); and furnishing and household equipment (2.9% from 2.8%) tempered the slower inflation. Clothing and footwear (2.1%) and communication (0.3%) remain unchanged from the previous month.

In AONCR, eight regions posted slower price movements, seven regions recorded an uptick in overall prices, while one region had stable inflation (see Table 3). The Bicol region recorded the highest inflation rate at 6.6 percent in October, although slower than the 6.9 percent figure recorded in September. This was driven by the slower inflation in food and non-alcoholic beverages (7.3% in October from 7.9% September); clothing and footwear (4.9% from 5.2%); alcoholic beverages and tobacco (14.2% from 14.4%); and restaurant and miscellaneous goods and services (7.2% from 7.4%).



**Table 3. Year-on-year regional inflation rates (in percent, 2012=100)**

Regions	Sep 2021	Oct 2021	YTD 2021
NCR - National Capital Region	3.5	3.2	3.6
AONCR - Areas outside the NCR	5.2	5.0	4.7
CAR - Cordillera Administrative Region	5.9	6.1	4.4
I - Ilocos Region	5.0	4.7	4.5
II - Cagayan Valley	6.8	6.5	7.1
III - Central Luzon	5.6	5.2	5.0
IV-A - CALABARZON	5.8	5.2	5.6
IV-B - MIMAROPA Region	4.2	3.8	4.9
V - Bicol Region	6.9	6.6	7.2
VI - Western Visayas	4.3	4.8	4.6
VII - Central Visayas	3.5	3.8	2.1
VIII - Eastern Visayas	3.7	4.0	3.1
IX - Zamboanga Peninsula	4.1	4.9	3.2
X - Northern Mindanao	3.7	3.7	3.9
XI - Davao Region	6.0	5.9	4.4
XII - SOCCSKSARGEN	5.4	5.5	5.0
XIII - Caraga	3.4	3.5	4.1
BARMM – Bangsamoro Autonomous Region in Muslim Mindanao	2.5	2.4	2.8

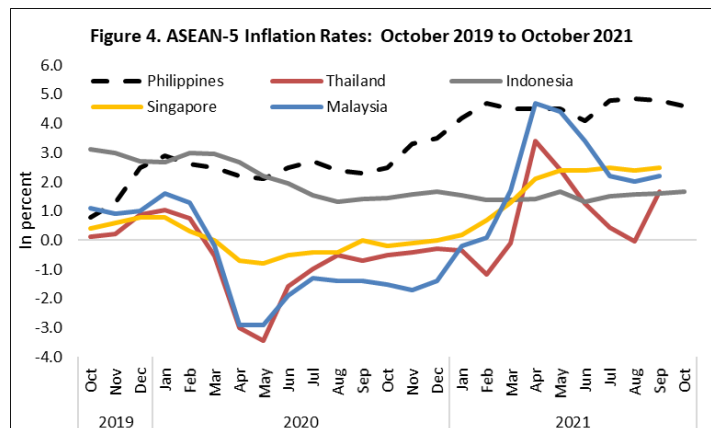
Source: PSA

#### 4. Indonesia's headline inflation rate increased to 1.7 percent. In September, Malaysia, Thailand, and Singapore's inflation accelerated.

In October 2021, Indonesia's overall inflation picked up marginally to 1.7 percent, from 1.6 percent in September 2021. Slower inflation in food services and restaurants (2.6% from 2.7%) and food, beverages, and tobacco (3.0% from 3.2%) were offset by

the faster inflation in housing and utilities (0.5% from 0.4%) and transportation (1.2% from 0.7%).<sup>13</sup> On October 19, 2021, Bank Indonesia maintained its key policy rate at 3.5 percent to maintain the exchange rate and ensure stability in the financial system amid the expected low inflation and economic recovery efforts.<sup>14</sup>

Malaysia, Thailand, and Singapore have yet to report inflation figures for October 2021. In September 2021, these countries all registered faster inflation.



<sup>13</sup> Statistics Indonesia. Inflation in October 2021 was 0.12 percent. The highest inflation occurred in Sampit at 2.06 percent. <https://www.bps.go.id/pressrelease/2021/11/01/1769/inflasi-terjadi-pada-oktober-2021-sebesar-0-12-persen--inflasi-tertinggi-terjadi-di-sampit-sebesar-2-06-persen-.html>

Statistics Indonesia. Deflation in September 2021 was 0.04 percent. The highest deflation occurred in Gorontalo at 0.90 percent. <https://www.bps.go.id/pressrelease/2021/10/01/1768/deflasi-terjadi-pada-september-2021-sebesar-0-04-persen--deflasi-tertinggi-terjadi-di-gorontalo-sebesar-0-90-persen-.html>

<sup>14</sup> [https://www.bi.go.id/en/publikasi/ruang-media/news-release/Pages/sp\\_2326821.aspx](https://www.bi.go.id/en/publikasi/ruang-media/news-release/Pages/sp_2326821.aspx)

## 5. Inflation outlook and policy implications

The BSP expects inflation to settle at 4.4 percent for 2021, above the inflation target for the year. This outlook is driven by supply-side pressures, particularly food supply disruptions and elevated global oil prices and electricity rates. Meanwhile, inflation will slow down to 3.3 percent in 2022 and 2.3 percent in 2023 as price pressures subside.<sup>15</sup> The BSP maintains its accommodative monetary stance, with the key policy rate at 2.0 percent,<sup>16</sup> but remains vigilant against threats to inflation target.

### Food supply

Proactive food supply measures are necessary to protect food security and resiliency to ease price pressures. Forecasts for rice<sup>17</sup> and chicken<sup>18</sup> stock are expected at 4.3 million metric tons (MMT) and 58.7 thousand metric tons (TMT) (equivalent to 114 and 14 days stock) respectively, by the end of 2021. Similarly, a surplus in the inventory of highland vegetables is expected by year-end, with local production at 712.6 TMT or 169 percent of local demand. However, the supply of lowland vegetables will not be sufficient, with a local production outlook of 1.3 MMT or only 79 percent of the demand. Fisheries are also expected to end the year with a deficit of 126.9 TMT (with imports), or an equivalent of 14 days.<sup>19</sup> Similarly, pork supplies will remain under a deficit at 155.5 TMT, or an equivalent of 35 days<sup>20</sup> despite the arrival of imports under Executive Order (EO) No. 133 and 134. As of November 1, 2021, only 33.0 percent (or 37,984 MT) of the MAV Plus first tranche has been utilized. The delay in import arrivals and the low utilization rate were

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<sup>15</sup> BSP 2021 Quarterly Inflation Report  
[https://www.bsp.gov.ph/Lists/Inflation%20Report/Attachments/22/IR3qtr\\_2021.pdf](https://www.bsp.gov.ph/Lists/Inflation%20Report/Attachments/22/IR3qtr_2021.pdf) (accessed on November 3, 2021)

<sup>16</sup> BSP Media and Research. “Monetary Policy Remains Accommodative Amid Manageable Inflation Environment” Bangko Sentral ng Pilipinas Media and Research, bsp.gov.ph (accessed on November 3, 2021)

<sup>17</sup> NEDA Estimates based on basic data from DA, BOC and PSA

<sup>18</sup> DA Outlook. Presented during the IATF – Task Group on Food Security Virtual Presser on October 14, 2021

<sup>19</sup> BFAR, as of October 29, 2021

<sup>20</sup> NEDA Estimates based on basic data from DA and PSA

attributed to international port closures and market restrictions<sup>21</sup> that have prevented the unhampered distribution of imported pork to wet markets and to all regions.

To help further bring down pork prices to pre-ASF levels, DA issued MC No. 23, s. 2021 on October 25. The circular addresses the low utilization of the pork MAV plus by allowing the distribution of imported pork to areas outside the NCR Plus. It also expands the distribution channels by allowing Pork MAV Plus to be sold to processors and institutional buyers. To further increase the utilization of MAV Plus, the government may consider transferring the unutilized balance of the MAV Plus 1<sup>st</sup> tranche to the 2<sup>nd</sup> tranche, and to extend the validity of EO No. 133 to December 2022 to maximize the benefits of these issuances.

Aside from this, the government may encourage the fast-tracking and unloading of more pork stocks from cold storages to the markets. The average stock of frozen pork in October slightly increased to 80,935 MT from 79,641 MT in September 2021. The timely release of pork stocks will help address the supply gap and bring down pork prices.

With the closed fishing season, the government will augment fish supply through the temporary importation of 60,000 MT of fish under the Certificate of Necessity to Import. Based on data from the Philippine Fisheries Development Authority,<sup>22</sup> 57,121 MT of the 60,000 MT has been allocated to 26 eligible importers, of which 22.7 percent has already been issued a Sanitary and Phytosanitary Import Clearance and an entry permit. Alternatively, the expansion of intensive hatchery farming systems,<sup>23</sup> the establishment of Fisheries Management

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<sup>21</sup> Imported pork are sold only in supermarkets, wet markets, and Kadiwa centers in Mega Manila.

<sup>22</sup> As of October 29, 2021

<sup>23</sup> DA Communications Group. "Sec. Dar leads inauguration of 1st ever DA-BFAR shrimp hatchery". <https://www.da.gov.ph/sec-dar-leads-inauguration-of-1st-ever-da-bfar-shrimp-hatchery/> (accessed September 27, 2021)

Areas, and the implementation of the *Malinis at Masaganang Karagatan* incentives program<sup>24</sup> will bolster domestic fish production.<sup>25</sup>

Direct government support for vegetable production includes the provision of postharvest and storage facilities, clustered farms, and planting materials, among others.<sup>26</sup> Research and development projects, such as the Crop Biotechnology Center<sup>27</sup> and organic pesticides,<sup>28</sup> will improve the productivity and sustainability of key commodities. Urban agriculture will be stimulated through skills training,<sup>29</sup> distribution of planting materials, the establishment of the Urban Agri Hydro Hub Learning Center, among other initiatives.<sup>30</sup>

Rice production will be continuously supported by the Rice Competitiveness Enhancement Fund. To keep rice prices stable, the government will directly procure *palay* from farmers,<sup>31</sup> distribute rice supply through the *Pantawid Pamilyang Pilipino Program*, and extend credit to local government units (LGU) for the purchase of *palay* from local farmers through the Land Bank's *Palay at Mais ng Lalawigan* program.<sup>32,33</sup>

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<sup>24</sup> The MMK program will incentivize local communities to protect and conserve the coastal and marine resources under their jurisdictions

<sup>25</sup> DA Communications Group. "58th FishCon Week highlights right balance between fisheries dev't and protection". <https://www.da.gov.ph/58th-fishcon-week-highlights-right-balance-between-fisheries-devt-and-protection/> (accessed on September 23, 2021)

<sup>26</sup> DA Communications Group. "Farmers, stakeholders, DA to craft strategic corn industry roadmap". <https://www.da.gov.ph/farmers-stakeholders-da-to-craft-strategic-corn-industry-roadmap/> (accessed on September 23, 2021)

<sup>27</sup> DA Communications Group. "New DA biotech center to help ensure food security". <https://www.da.gov.ph/new-da-biotech-center-to-help-ensure-food-security/> (accessed on October 1, 2021)

<sup>28</sup> DA Communications Group. "Agri chief advocates balanced pesticides use strategy for food safety and security". <https://www.da.gov.ph/agri-chief-advocates-balanced-pesticides-use-strategy-for-food-safety-and-security/> (accessed on September 23, 2021)

<sup>29</sup> Such as vertical gardening, hydroponics, and urban agriculture. DA Communications Group. "Urban agriculture safeguards food supply, ensures food security". <https://www.da.gov.ph/urban-agriculture-safeguards-food-supply-ensures-food-security/> (accessed on September 23, 2021)

<sup>30</sup> Bejarin, Gumamela Celes. "Newly-opened urban agri learning center to address DA's food sufficiency drive" *DA.gov.ph* <https://www.da.gov.ph/newly-opened-urban-agri-learning-center-to-address-das-food-sufficiency-drive/> (accessed on November 3, 2021)

<sup>31</sup> NFA targets to procure 369,870 MT of palay from October to December

<sup>32</sup> DA Communications Group. "LGUs partner with DA, NFA to buy palay, assuring farmers of reasonable prices". <https://www.da.gov.ph/lgus-partner-with-da-nfa-to-buy-palay-assuring-farmers-of-reasonable-prices/> (accessed on September 23, 2021)

<sup>33</sup> Landbank. "PALAY ng Lalawigan". <https://www.landbank.com/loans/loans-to-farmers-fishers/farmers/palay-ng-lalawigan> (accessed on September 29, 2021)

### Weather conditions

According to the Philippine Atmospheric, Geophysical, and Astronomical Services Administration (PAGASA),<sup>34</sup> La Niña is likely to persist until the first quarter of 2022. Meanwhile, three to six tropical cyclones may develop between November 2021 and April 2022. PAGASA expects above-normal rainfall conditions over some parts of the country in the coming months, which can trigger flashfloods and rain-induced landslides.

In the short term, the government may focus on strengthening coordination efforts on disaster risk and management programs with LGUs. In the long-term, efforts may shift toward investments in research and development (*e.g.*, climate-resilient crop production), developing agricultural risk financing and insurance products, and investing in resilient infrastructure development (*e.g.*, improved water management, and irrigation systems).<sup>35</sup> Leveraging digital technology to improve logistics, productivity, and resilience can also help mitigate the impacts of typhoons.

### Transport Services

To help public utility vehicle (PUV) drivers cope with rising fuel prices, the government has provided cash grants amounting to PHP1 billion for some 178,000 eligible drivers for the remainder of the year. Meanwhile, the Inter-agency Task Force (IATF) on Emerging Infectious Diseases allowed the increase of passenger capacity for PUVs in Metro Manila and nearby provinces, from 50 percent to 70 percent, starting November 4, amid the declining number of COVID-19 cases. This increase in transport capacity will enable drivers to earn more income while making it easier for people to travel.

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<sup>34</sup> PAGASA. “Climate Outlook November 2021 – April 2022” *DOST.gov.ph* <https://pubfiles.pagasa.dost.gov.ph/climps/climateforum/climateoutlook.pdf> (accessed on November 1, 2021)

<sup>35</sup> World Bank. “Building a Resilient Recovery Philippines Economic Update December 2020 Edition” *WorldBank.org* <https://openknowledge.worldbank.org/bitstream/handle/10986/34899/Philippines-Economic-Update-Building-a-Resilient-Recovery.pdf> (accessed on June 3, 2021)

### Global oil prices

Compliance of OPEC+ members to their production cut agreement remained high at 115 percent in September 2021. Meanwhile, the OPEC+ reconfirmed the 0.4 million barrels per day (mb/d) increase in the overall production for November as demand continues to strengthen amid recovery.<sup>36</sup> Based on futures markets as of November 1, 2021, Dubai crude oil prices are expected to decline from USD81.4/bbl in November to USD79.9/bbl by December of this year.<sup>37</sup>

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<sup>36</sup> <https://www.reuters.com/business/energy/opec-compliance-with-oil-cuts-slips-115-september-sources-say-2021-10-18/>

<sup>37</sup> Bloomberg. "Dubai Crude Oil (Platts) Financial Futures Quotes (accessed on November 2, 2021)